

## Aging Committee Public Hearing

Thursday, February 5 2015

10:00am room 1B

Chairman Serra, Chairman Flexer, Members of the Aging Committee, for the record my name is Dennis Russo of East Lyme and I am submitting this testimony in support of H.B. No. 6396 AN ACT CONCERNING AN INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS.

I would like to thank the committee for raising this bill and the opportunity to submit testimony here today.

We are an ageing population in this state. Although I do not have the current statistical analysis, a portion of this population will require long term care for age related ailments either at home or in a long term care facility. The cost of care for these ailments ranges but is significant, especially for in-facility care. The State of Connecticut maintains a Long term Care (LTC) website that documents these costs throughout the state. In-facility care in our state is onerously expensive compared with other states.

I would like to propose that allowing an adjustment to Connecticut Income Tax for LTC premiums be considered in Connecticut, as we, the LTC insurance subscribers, would not end up being a burden on the other tax payers. Thus, it would offer incentive to citizens to get their own policies.

Consider:

- Currently, 24 states allow deductions of all or part of LTC premiums from the Federal AGI (<http://www.nyltcb.com/pdfs/stateTaxCreditsDeductionsForLTCI.pdf>) for state income tax obligation.
- Providing a deduction of LTC premiums for Connecticut Income Tax purposes gives individuals an added incentive to plan for their future and not become a burden on the state.
- The number of people reaching retirement age and becoming more prone to the health challenges associated with ageing is accelerating. This will become a more significant issue in our state in the next ten years due to an increasing demands on state resources to fund care for those that become indigent after exhausting their assets. Having a LTC policy would reduce the demand on State assets and the need to increase income tax rates on our citizens.